

Service Area Plan

Department of Mines, Minerals and Energy

Gas and Oil Environmental Protection, Worker Safety and Land Reclamation (50603)

Service Area Background Information

Service Area Description

This service area implements the Virginia Gas and Oil Act and gas and oil regulations promulgated by the Virginia Gas and Oil Board and the Department of Mines, Minerals and Energy. The law and regulations protect the property ownership interests of persons owning gas and oil rights around gas and oil wells, and protect the public safety and health from possible environmental effects of gas and oil wells and gas gathering pipelines. Products and services include:

- Customer service, such as training, technical assistance, and information sharing.
- Inspection and enforcement of the gas and oil laws and regulations.
- Permitting gas and oil exploration and development wells, and gathering pipelines.
- Protection of property interests around gas and oil wells through pooling and unitization of property interests, and establishment of escrow accounts for unknown or unlocatable owners or where ownership of coalbed methane is contested.
- Regulatory development to establish minimum requirements for protection of correlative rights of gas and oil owners and operations, plugging and reclamation of gas and oil wells, and gathering pipeline sites.
- Land reclamation through use of financial guarantees to ensure proper reclamation on permitted sites and orphaned (abandoned) wells.

Service Area Alignment to Mission

This service area directly aligns with DMME's mission of enhancing the development of energy resources in a safe and environmentally sound manner to support a more productive economy.

Service Area Statutory Authority

- Chapter 22.1 of Title 45.1 of the Code of Virginia, known as the Virginia Gas and Oil Act, establishes environmental protection and worker safety requirements for drilling, operation, plugging, and reclamation of gas and oil wells and related facilities; requires replacement of certain water supplies damaged by gas or oil well drilling; and sets rules for protection of the correlative rights of persons owning the gas and oil near producing wells.
- Chapter 15.1 of Title 45.1 of the Code of Virginia, known as the Geothermal Energy Act, establishes requirements for geothermal energy operations in Virginia. There currently are no permitted geothermal operations in Virginia.
- Chapter 24 of Title 45.1 of the Code of Virginia establishes Virginia's membership in the Interstate Oil and Gas Compact Commission.

Service Area Customer Base

Customer(s)	Served	Potential
Affiliated business interests	150	150
Gas and oil operators	27	27
Gas and oil workers	600	600
Other governmental agencies	13	150
Public affected by gas and oil operations	70,000	70,000

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Anticipated Changes In Service Area Customer Base

Gas and Oil Operators and Operators

- The number of permitted gas and oil sites historically changes based on the price of energy. As the price per thousand cubic feet of natural gas or barrel of oil increases, the level of reserves and production generally increases. Recently there has been a sharp increase in energy costs, with benchmark grades of oil selling for over \$50/barrel in June 2005. Spot Appalachian natural gas prices have ranged near \$6-7/thousand cubic feet through 2004 and 2005. Current price projections suggest natural gas prices will remain in the \$6-8/thousand cubic feet over the next few years.
- The increasing price for natural gas, coupled with federal tax credits for producing coalbed methane, has caused an increase in the number of new companies interested in producing natural gas in Virginia and an increase in the number of producing gas and oil wells. In 1990, just prior to the start of coalbed methane production in Virginia, there were 841 producing gas and oil wells in Virginia. This had jumped to 1,692 wells in 1995, to 3,068 wells in 2000, and to 3,876 wells in 2004. This has increased the number of producing wells per inspector from 280 in 1990 to 646 in 2004, or an increase of 231%. DMME also permits natural gas gathering pipelines and ancillary facilities. DMME had 1,818 of these sites permitted in 2004, resulting in 5,694 total sites under permit and 949 inspectable units per inspector. The number of producing gas wells is expected to continue as long as the price of natural gas remains above \$3-4/thousand cubic feet.
- Gas and oil companies are increasingly relying on new technologies to help them operate. They increasingly expect to use electronic commerce with DMME and that the agency will make information available through geographic information systems (GIS) and in other digital forms.

Gas and oil workers

- As DMME does not have primary jurisdiction for worker safety on gas and oil exploration and production sites, it does not maintain records of the number of persons working on gas and oil exploration and production operations in Virginia. However, as the number of permitted wells, gathering pipelines, and associated facilities increases in Virginia, the number of workers drilling the wells, constructing the pipelines and associated facilities, and maintaining the facilities will continue to increase. Virginia expects this trend to continue over the next three or more years.

Public affected gas and oil operations

- Public located near gas and oil operations may be affected by activities at the operations. This includes items, such as runoff to surface waters; effects on groundwater quantity or quality; effects from uncontrolled release of material such as material pushed from a site during construction; dust from construction or travel on gravel roads; noise; light; or truck traffic. DMME's regulations control many of these impacts. While some impacts, such as light, ambient noise, and local truck traffic, are subject to local government land use controls, DMME receives and must investigate complaints on all of these issues.
- Public that own gas or oil interests receive income from gas and oil operations. Most general public owners receive royalty payments from produced gas. They also may have the right to use gas at a house or other facility located near a well. These customers regularly contact DMME for production information related to their ownership interests. They increasingly are interested in obtaining this information in electronic forms.
- DMME expects there will be additional people affected by gas and oil operations in the coming years.
 - Natural gas producers have indicated that they may need to drill wells more closely together than is currently practiced. This will result in a denser population of well drilling locations and additional gathering pipeline locations. This will expose more people to the operations than with current practices.
 - As the number of gas wells in Virginia increase, the numbers of public living or working near gas wells and the number of resource owners receiving income from the operations will increase.

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Affiliated mineral extraction business interests

- Numerous businesses support gas and oil operations. These range from engineering firms that assist with permit preparation and facility design, to independent contractors providing services at gas and oil sites (such as well drilling; mobile equipment lubrication and maintenance; logging; site development, and pipeline and other construction), to independent trucking companies hauling liquids from wells, to title attorneys, and others.

- DMME expects to see an increase in the number of affiliated business interests as more wells are drilled in Virginia and as gas and oil companies continue to outsource work on exploration and production sites.

Other governmental agencies

- DMME provides gas and oil information to other governmental agencies. DMME provides information on the mineral extraction industry to other state and local agencies that have business relationships with the mineral extraction industry. DMME provides gas and oil production reports to Southwest Virginia counties who collect severance taxes on gas and oil production.

- DMME coordinates gas and oil regulatory activities with the similar regulatory agencies in neighboring states and in the federal government. This includes agencies, such as the Virginia State Corporation Commission (SCC), the Department of Environmental Quality, the Department of Conservation and Recreation, or the U.S. Fish and Wildlife Service. For example, the 2005 General Assembly gave the SCC pipeline safety jurisdiction over gathering pipelines in high consequence areas. This will require close coordination between DMME, the SCC, and pipeline operators to identify where DMME and SCC jurisdiction begins and ends.

- Gas and oil operations also may cross state lines along Virginia's borders with Kentucky and West Virginia. Virginia communicates with the gas and oil regulatory agencies in these states as needed. Virginia also is a member of the Interstate Oil and Gas Compact Commission, an organization of states with gas and oil interests.

- Due to the recent law change governing gathering pipeline safety, we expect increasing amounts of coordination with the State Corporation Commission over the coming years.

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Service Area Products and Services

- Customer assistance
 - Training, technical assistance, education, hazard identification, and cooperative projects – in such areas as worker safety, environmental protection and land reclamation during gas and oil operations. This helps customers maintain safe and environmentally protective extraction sites in compliance with regulatory requirements.
 - Information about production and revenue to persons owning gas and oil resources, or those whom claim ownership of contested coalbed methane proceeds held in escrow.
 - Information on the natural gas and oil resources and related geology in Virginia to companies wishing to develop the state's gas and oil resources.
- Inspection and enforcement
 - Thorough and consistent inspection and enforcement of laws and regulations addressing operational and reclamation environmental controls and worker safety on gas and oil sites. Assessing company and individual responsibility and liability as appropriate. Investigate accidents and complaints. Note that DMME is not the primary agency with worker safety jurisdiction on gas and oil sites. DMME may shut down equipment or operations if it finds an imminent danger to persons, but works with the Virginia Department of Labor and Industry (the agency with primary jurisdiction) on other worker safety issues. Appeals to DMME enforcement actions are taken to the Virginia Gas and Oil Board.
 - Inspection and enforcement services assist customers to maintain safe and environmentally protective mineral extraction sites in compliance with regulatory requirements.
- Permitting
 - Permit and plan review and approval, financial bonding, coordination with other agencies' regulatory requirements.
 - Permitting and plan review services ensure gas and oil operations can be conducted safely and protective of the environment (operations, well plugging, land reclamation) and be in compliance with governing laws and regulations.
- Regulatory development
 - Establishing minimum operational and reclamation requirements consistent with governing laws for gas and oil operations. DMME is the regulatory authority for environmental controls on gas and oil operations. The Virginia Gas and Oil Board promulgates regulations governing protection of gas or oil owners' correlative rights (rights related to ownership interest in gas or oil around a well location).
 - Regulatory services ensure the legal standards governing gas and oil operations will result in safe and environmentally protective operations while establishing the minimum required intrusion in permitted operations. The services also ensure that gas and oil owners receive their proportional share of income from sale of gas and oil from wells near their property.
- Land reclamation
 - Plugging of orphaned (abandoned and not plugged) gas and oil wells, reclamation of gas and oil lands and bond forfeiture sites. Funds for the land reclamation activities come from the Orphaned Well Fund, performance bonds posted by gas and oil operators, or the Gas and Oil Plugging and Restoration Fund when bond proceeds are insufficient.
 - Plugging and land reclamation services correct damage and mitigate risks of future damage from improperly plugged wells and unreclaimed gas and oil well and pipeline sites.

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Service Area Products and Services

- Correlative rights protection
 - Virginia Gas and Oil Board issues orders pooling the ownership interests of owners of gas and oil in the area around gas and oil wells (correlative rights) to ensure all owners receive compensation for the gas and oil resources they own.
 - The identity of some gas and oil owners may not be known or the owners may not be locatable from available records due to heirships or other unregistered transfer of title. In other cases, there may be a conflict among potential owners of coalbed methane (surface owner, gas owner, coal owner). In these cases, the Gas and Oil Board provides for establishment of or manages escrow accounts to hold the proceeds from gas or oil development until the proper owner is found or determined.
 - Protects ownership interest of persons owning gas or oil rights, ensuring that the proper owners will receive the proceeds from sales of produced gas or oil.

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Factors Impacting Service Area Products and Services

- Customer assistance requests are expected to increase as high energy costs allow development of natural gas in new areas and as new companies start operations in Virginia. Gas and oil companies also will need additional assistance to comply with new gathering pipeline safety. DMME is also implementing a “Red Zone Area” safety program in its coal and gas and oil programs to increase the protection of persons from particularly hazardous areas on permitted sites.
- Expansion of web-based electronic government capability will increase the efficiency of DMME permitting and licensing operations but will require additional resources to implement. For example, gas and oil operators will increasingly want to use electronic maps and well logs.
- Increased availability of digitized underground mine maps, and gas and oil well and pipeline locations will allow coal mine permits and plans to better account for the presence of the gas wells and result in a safer mining environment. Permitting services will have to expand to account for the availability of this information.
- Permitting of new gas and oil sites will become more difficult due to conflict with other land uses as gas well and pipeline sites move closer to built-up areas and if well drilling densities increase. This will increase the likelihood of litigated issue hearings and court challenges to permit decisions.
- A recent Virginia Supreme Court decision clarified ownership of coalbed methane gas when surface owners, coal owners, and natural gas owners each believe they own the coalbed methane gas. DMME (and the Virginia Gas and Oil Board) will see increased numbers of requests to release funds out of escrow that have been held in cases of conflicting claims to ownership of the coalbed methane gas. This fund currently has a balance of over \$10 million.
- Past reductions in DMME’s budgets have caused the agency to increasingly rely on permit and license revenue. DMME will spend down fund balances from these sources in the coming biennium and will need additional general fund support to maintain current levels of service.
- DMME will need to replace a significant proportion of its workforce in the near future. This will eliminate a significant amount of the institutional knowledge that helps DMME understand and face the challenges of providing high quality customer service. DMME will be faced with increasing difficulty in finding these high quality workers at state salary rates as mining and other energy industries have substantially increased the amount they pay employees to combat their labor shortages.

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Anticipated Changes To Service Area Products and Services

- The demand for DMME's customer services are anticipated to increase as the gas and oil industry faces continuing business challenges and as energy costs remain high.
- Permitting and plan review services will grow as gas and oil operators take advantage of high energy prices by drilling additional gas wells.
- DMME will need to expand electronic government services to meet increasing expectations of gas and oil operators.
- Permitting services will need to expand to account for the expanded digital mapping of underground coal mines, and gas and oil wells and pipelines.
- DMME will need to expand its accounting for worker safety on gas and oil sites to account for risks of off-site safety impacts and implementation of "Red Zone" safety areas.
- In response to a recent Virginia Supreme Court decision addressing ownership of coalbed methane gas, there will be increased demand for payments of escrowed funds in cases where there were conflicting claims to ownership of the coalbed methane gas.
- The increased drilling activity near built-up areas will increase DMME's work to respond to complaints, answer questions, hear objections to well permit applications (informal and formal litigated issues hearings), and respond to appeals of department decisions.
- DMME will face a greater risk of losing employees to mineral extraction operators as these companies increase their salaries to respond to their labor shortages. We will also be faced with increasing difficulty attracting the same level of experienced employees at current state salaries.
- Spending down of license fee fund balances in the coming year will cause DMME to either reduce services or find additional funding in the new biennium.

Service Area Financial Summary

The Gas and Oil Environmental Protection, Worker Safety and Land Reclamation service area funding comes from general funds (62%), permit and license fees paid by gas and oil operators (24%), bond forfeiture proceeds (8%), and orphaned well revenues (6%).

	<u>Fiscal Year 2007</u>		<u>Fiscal Year 2008</u>	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$513,931	\$318,000	\$513,931	\$318,000
Changes To Base	\$268,715	\$0	\$280,810	\$0
SERVICE AREA TOTAL	\$782,646	\$318,000	\$794,741	\$318,000

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Service Area Objectives, Measures, and Strategies

Objective 50603.01

To eliminate dangers to workers on gas and oil operations.

Protection of worker and public safety from the dangers on gas and oil sites is of critical importance to ensure the safety of Virginians working on or living near the sites. Dangers may be present due to unsafe conditions or improper actions by workers. The DMME Division of Gas and Oil works with the Department of Labor and Industry's Virginia Occupational Health and Safety program to help operators maintain safe operations.

This Objective Supports the Following Agency Goals:

- Provide for safe and environmentally sound mineral and fossil fuel extraction.
(This objective is consistent with DMME's mission of enhancing the development of energy resources in a safe manner. The gas and oil safety program is mandated in § 45.1-361.42, in Chapter 22.1 of Title 45.1 of the Code of Virginia, known as the Virginia Gas and Oil Act. This authorizes DMME to inspect coalbed methane operations and close down areas with an imminent danger to ensure the safety of persons on permitted sites. This objective aligns with DMME's strategic direction under goal 1, "Provide for safe and environmentally sound mineral and fossil fuel extraction; and with the long-term objectives of protecting the public safety and protect, conserve, and wisely develop our natural resources.)

This Objective Has The Following Measure(s):

- **Measure 50603.01.01**

Percentage of inspections finding unsafe acts on permitted gas and oil operations.

Measure Type: Outcome **Measure Frequency:** Every Six Months

Measure Baseline: 1.6% (FY 2005)

Measure Target: <= 2% (FY 2007 - FY 2008)

Measure Source and Calculation:

Data is collected from inspection reports completed by DMME Division of Gas and Oil inspectors. The total number of unsafe acts identified during inspections is divided by the total number of inspections to calculate a percentage.

Objective 50603.01 Has the Following Strategies:

- The DMME Division of Gas and Oil will conduct inspections, using established worker safety guidelines, to eliminate imminent dangers and unsafe practices and conditions.
- The DMME Division of Gas and Oil will provide assistance to ensure compliance and continually refine the established guidelines for consistent inspection of safety conditions and practices of gas and oil operations to include:
 - Quarterly meetings to evaluate customer operational risk factors, safety performance, and emergency preparedness and response capabilities.
 - Proactive review and consultation with customers and stakeholders concerning identified safety risks and needed improvements.
 - Follow-up contacts with customers and stakeholders to evaluate the extent that risk and safety concerns are addressed.
- The DMME Division of Gas and Oil will investigate incidents and complaints, seeking assistance as needed from other Divisions within DMME, and take actions to prevent future occurrences of unsafe practices and conditions.

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- The DMME Division of Gas and Oil will minimize duplication of inspection activities through communication and coordinated inspections and investigations with other state and federal agencies.
- The DMME Division of Gas and Oil (DGO) will collaborate and communicate on safety issues involving mining and gas well activities by:
 - Maintaining comprehensive automated mapping of DGO gas well data.
 - Communicating with the DMME Divisions of Mined Land Reclamation and Mines on issues of mutual concern related to mining and gas well activities in order to establish procedures for review and evaluation of gas well and pipeline locations and development of an accurate data base.
 - Increasing coordination of DMME's inspection activities.
 - Working with DMME Divisions of Mined Land Reclamation and Mines to develop a system to communicate emerging safety issues.

Objective 50603.02

To eliminate adverse environmental conditions and public safety hazards resulting from gas and oil operations.

Protection of the public safety and the environment from the off-site effects of activities on gas and oil sites is of critical importance in such areas as controlling runoff and sedimentation from sites; protecting groundwater quality; protecting from unmanaged discharges of gas, oil, or other fluids from wells or sites; and avoiding contamination or interruption of domestic water supplies from actions on coalbed methane sites. The DMME Division of Gas and Oil provides customer assistance, hazard identification, and inspection and enforcement of gas operations to meet this objective.

This Objective Supports the Following Agency Goals:

- Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources.

(This objective is consistent with DMME's mission of enhancing the development of energy resources in an environmentally sound manner. The gas and oil regulatory program is mandated in Articles 3 and 4 of Chapter 22.1 of Title 45.1 of the Code of Virginia. These articles establish minimum environmental protection requirements for operation and reclamation of gas and oil exploration and production sites and gathering pipelines in Virginia. This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources", and with the long-term objectives of Virginia to protect, conserve, and wisely develop our natural resources and to protect the public's safety.)

This Objective Has The Following Measure(s):

● **Measure 50603.02.01**

Percentage of gas and oil sites with no adverse off-site environmental damage or public safety hazards.

Measure Type: Outcome

Measure Frequency: Every Six Months

Measure Baseline: 99.9% (avg. FY 2001 - FY 2005)

Measure Target: >=95% (avg. FY 2003 - FY 2007)

Measure Source and Calculation:

This measure is calculated using information from DMME's gas and oil automated enforcement system. Records of violations show whether there was any off-site damage or public safety hazard related to a violation of the Virginia Gas and Oil Act or the department's gas and oil regulations. The number of sites with no violations causing off-site impacts is calculated as a percentage of permitted gas and oil sites. The percentages for the most recent five years are then averaged.

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- **Measure 50603.02.02**

Percentage of environmental violations successfully eliminated by the violations' due dates.

Measure Type: Outcome **Measure Frequency:** Every Six Months

Measure Baseline: 66.2% (avg. FY 2001 - FY 2005)

Measure Target: >=80% (avg. FY 2004 - FY 2008)

Measure Source and Calculation:

This measure is calculated using information from DMME's automated gas and oil enforcement system. Records of violations show the date issued, target date for eliminating the violation, and date the violation is eliminated. The number of environmental violations eliminated by their due dates is divided by the number of environmental violations issued, and then calculated as a percentage. The percentages for the most recent five years are then averaged.

Objective 50603.02 Has the Following Strategies:

- The DMME Division of Gas and Oil will pursue methods, such as external funding, partnerships, leveraging, and cooperating, with other state and federal projects to eliminate adverse environmental and public health and safety conditions.
- The DMME Division of Gas and Oil will continue to require the plugging of abandoned gas and oil wells, monitor operators' plans for plugging wells; review records of plugging and abandoning wells; and encourage the release of permits if applicable.
- The DMME Division of Gas and Oil will provide technical assistance to customers and stakeholders, participate in customer-related educational activities, and assist in the development of educational materials on significant emerging issues.
- The DMME Division of Gas and Oil will provide consistent enforcement of law and regulations, maintain quality inspections on regulated sites at required frequency, and perform joint inspections as necessary. Assistance and inspections will be provided in a manner that is most efficient for the customer, including coordination among DMME divisions and other local, state and federal agencies.
- The DMME Division of Gas and Oil will continue to investigate public safety, health and environmental issues, concerns, and complaints.
- The DMME Division of Gas and Oil will address environmental hazards and public safety and health concerns while processing permit applications.
- The DMME Division of Gas and Oil will update its Inspection Priority Policy.
- The DMME Division of Gas and Oil will identify "Red Zones" on gas and oil sites and implement methods to ensure public safety protection through its permitting, inspection, and operator assistance activities.
- The DMME Division of Gas and Oil will work with the DMME Divisions of Mined Land Reclamation and Mines to develop a system to communicate emerging environmental and public safety issues
- The DMME Division of Gas and Oil will collaborate seamlessly with other DMME divisions and state agencies on environmental and public safety issues such as impacts of timber harvesting and access road issues.
- The DMME Division of Gas and Oil will provide customer assistance and be pro-active in scheduling meetings and site visits to ensure compliance with laws and regulations.

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- The DMME Division of Gas and Oil will maintain an accessible, prioritized list of orphaned and forfeited sites and continue plugging and reclaiming as funding allows. If a site is deemed hazardous, it will be plugged and reclaimed.

Objective 50603.03

To improve our customers' ability to establish and maintain efficient, viable operations.

DMME helps regulated gas and oil operations establish and maintain economically viable operations that will be both profitable and operate safely and respectfully of the environment. DMME works with its customers to implement process improvements to increase efficiency of interaction with DMME and provide gas and oil resource information needed for growth of the state's gas and oil exploration and production industry.

This Objective Supports the Following Agency Goals:

- Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources.
(This objective is consistent with DMME's mission of enhancing the development of energy resources to support a more productive economy. This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources; and with the long-term objectives of Virginia to protect, conserve, and wisely develop our natural resources.)

This Objective Has The Following Measure(s):

- **Measure 50603.03.01**

Percentage of timely decisions on new permit applications.

Measure Type: Outcome **Measure Frequency:** Every Six Months

Measure Baseline: 99.2% (avg. FY 2001 - FY 2005)

Measure Target: >=95% (avg. FY 2003 - FY 2007)

Measure Source and Calculation:

This measure is calculated using permit tracking-data from the department's gas and oil regulatory database system. The number of permit decisions made within 30 days of receipt of a complete application is compared to the total number of permit decisions due during the review period. The numbers are used to calculate the percentage of timely permit decisions. The percentages for the most recent five years are then averaged.

- **Measure 50603.03.02**

Percentage of forms submitted electronically by customers.

Measure Type: Outcome **Measure Frequency:** Every Six Months

Measure Baseline: 20.6% (FY 2005)

Measure Target: >=75% (FY 2008)

Measure Source and Calculation:

The DMME Division of Gas and Oil counts the number of electronic form submissions using activity logs. The total number of form submissions is estimated by DMME program managers based on the level of business activity. This measure is calculated as a percentage of the number of forms submitted electronically as compared to an estimate of the total number of forms submitted by DMME's customers.

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Objective 50603.03 Has the Following Strategies:

- The DMME Division of Gas and Oil will involve its customers in identifying areas for improvement through site visits, referrals, training, consultations, technology transfer, partnerships, and leveraging other resources more effectively.
- The DMME Division of Gas and Oil will process, review, and comment on all permit applications within 30 days of receipt of application.
- The DMME Division of Gas and Oil will involve its customers and stakeholders in continually identifying, developing, and implementing process improvements such as electronic submittal of regulatory information so that services are provided in the least costly and burdensome manner.
- The DMME Division of Gas and Oil will collaborate with other DMME divisions and stakeholders to improve its customers' ability to facilitate economic development.
- The DMME Division of Gas and Oil will provide customers with data regarding rock and mineral resources and energy technologies. DMME will upgrade the Gas and Oil office customer assistance center by adding access to the Gas and Oil Enforcement System and DMME mapping system.
- The DMME Division of Gas and Oil will explore opportunities with other state and federal agencies and customers for coordination of shared regulatory authority, coordination of available resources, and review of current and anticipated issues and impacts to agencies and customers.

Objective 50603.04

To improve the quality of information and data provided to customers for the expansion of knowledge of Virginia's resources.

DMME provides its customers with information to help them have the knowledge needed to make decisions about their operations. This can take the form of providing information on such items as gas and oil production or locations of wells and pipelines; coordinating DMME regulatory coverage with other agencies; and responding to emerging issues. DMME provides this information through a variety of forms, both digitally and in paper form, as is needed by its customers.

This Objective Supports the Following Agency Goals:

- Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources.
(This objective is consistent with DMME's mission of enhancing the development of energy resources to support a more productive economy. This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources; and with the long-term objectives of Virginia to protect, conserve, and wisely develop our natural resources.)

This Objective Has The Following Measure(s):

- **Measure 50603.04.01**

Percent timely responses to customers' requests for gas and oil information.

Measure Type: Outcome

Measure Frequency: Every Six Months

Measure Baseline: 100% (avg. FY 2002 - FY 2005)

Measure Target: 100% (FY 2007- FY 2008)

Measure Source and Calculation:

The DMME Division of Gas and Oil measures the percentage of responses to public requests for gas and oil information made within 7 days. Data is taken from logs kept by the DMME Division of Gas and Oil.

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Objective 50603.04 Has the Following Strategies:

- The DMME Division of Gas and Oil will provide customers with current gas and oil data and information.
- DMME will continue to evaluate and improve its web-based delivery of gas and oil related customer services, including an informational/educational program on subjects such as general gas and oil information, permitting processes, and Virginia Gas and Oil Board processes.
- The DMME Division of Gas and Oil will support state, regional, and local economic development organizations to enhance economic development.
- The DMME Division of Gas and Oil will seek opportunities to partner with stakeholders to develop mined land for economic development such as reclassifying post-mined land use for gas and oil sites.
- The DMME Division of Gas and Oil will assist the DMME Division of Energy with the Virginia Energy Plan.
- DMME will continue to develop gathering pipeline data for use with DMME's mapping systems and coordination with the State Corporation Commission's pipeline safety program.
- The DMME Division of Gas and Oil will identify emerging issues, such as total maximum daily loads (TMDL), offshore drilling, timbering, and State Corporation Commission pipeline safety requirements. The Division will work with its customers to address potential impacts.

Objective 50603.05

To provide effective and efficient services to the Virginia Gas and Oil Board and the Board's customers.

The DMME Division of Gas and Oil serves as staff to the Virginia Gas and Oil Board and provides support to persons whose property interest is affected by Virginia Gas and Oil Board decisions. The Division will ensure that Board members receive timely materials for Board meetings, Board orders are timely filed, and information on funds escrowed or other Board action is available on a timely basis to customers.

This Objective Supports the Following Agency Goals:

- Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources.
(This objective is consistent with DMME's mission of enhancing the development of energy resources to support a more productive economy. The Virginia Gas and Oil Board's activities are mandated in Article 2 of Chapter 22.1 of Title 45.1 of the Code of Virginia. This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources; and with the long-term objectives of Virginia to protect, conserve, and wisely develop our natural resources and to protect the public's safety.)

This Objective Has The Following Measure(s):

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- **Measure 50603.05.01**

Percent timely recordation and distribution of Virginia Gas and Oil Board orders.

Measure Type: Outcome **Measure Frequency:** Every Six Months

Measure Baseline: 100% (avg. FY 2003 - FY 2005)

Measure Target: 100% (FY 2007 - FY 2008)

Measure Source and Calculation:

The DMME Division of Gas and Oil tracks the date Board orders are signed by the Board Chairman and the date the orders are filed in local Circuit Court offices. The number of orders filed within five working days is compared to the total number of Board orders filed and calculated as a percentage.

Objective 50603.05 Has the Following Strategies:

- The DMME Division of Gas and Oil (DGO) will provide support to the Virginia Gas and Oil Board by:
 - Facilitating monthly meetings.
 - Monitoring board escrow account and providing reports to the Board.
 - Timely recording of orders.
 - Responding to special board requests.
 - Responding to customer inquiries concerning board actions within seven days.
- The DMME Division of Gas and Oil (DGO) will facilitate implementation of new Virginia Gas and Oil Board escrow account procedures through training, assistance, and information.
- The DMME Division of Gas and Oil (DGO) will monitor submission of orders, fund deposits, and other Virginia Gas and Oil Board requirements to ensure compliance.
- The DMME Division of Gas and Oil (DGO) will continue staff training on the Board's operations. DGO staff will periodically attend Virginia Gas and Oil Board meetings.